(Preserve)

Previous references.
G. 7. 27-01-02 · SS 4-9 61. 1909.

File No. 135-09

Serial Nos. 11-20

(Gen. Sec.)

Later references.
B may 13 Sec 1- 2, 5-7
12, 14, 220-13 G. 723-11.
B Aug 13 Sec 6, 709 G. 231-12
G. 17-18 SS 105,
B. Dec 18

P 135 F

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 11-20

Part B. for June 1911.

SUBJECT.

Passing orders re the financial relations between the Govt of H.H. the Maharaja of Mysore and the Mysore Spinning & Manufacturing Company Ltd &c.

H Misc No 630

G.R.S.11] 1907

GENERAL AND REVENUE SECRETARIAT

(C. 7)

NOTES.

File No.

FILE HEADING.

Proposals regarding the future financial relations between Govt and the Mysore Spinning & mfg Co.

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

Please turn over.

NOTES—First sheet

GPB—30,000—3-4-07.

Note on certain points relating to the Mysore Spinning and Manufacturing Company Ltd

Submitted to the Dewan for orders.

I

Under clauses 5 & 6 of the agreement between the Mysore Govt. and the above named company, transcribed in the margin for ready reference, the Govt. are entitled to appoint a Managing Director and another director on the Board of the Company.

The Comptroller is the Managing Director referred to. The late Mr. Veer Chand Deep Chand C.I.E. was upto the date of his death the other director appointed by the Mysore Govt.

The death of Mr. Veerchand Deep chand has created a

"The Govt. shall be entitled to appoint a Director on the Board of the Company who shall act as and be called the Managing Director and all transactions of the Company shall be conducted under the authority of such managing Director who shall remain at Bangalore and shall be entitled to be exempt from the meetings of the Board in "Bombay."

"6. The Govt. shall also have the option of appointing another Director on the Board to attend the meetings of the Board in Bombay and shall also have the right of nominating one Auditor every year for the purpose of auditing the accounts of the Company the other auditor being appointed by the Company."

vacancy on the Board at Bombay which should be filled up. Mr K. S. Ramaswami Iyer, a son of the late Sir Sheshadri Iyer is residing at Bombay and is himself a Mill-owner. As I could think of no one better fitted to look after the interests of the Mysore Govt at Bombay, I enquired if he would be willing to accept the Directorship. He has agreed in the following terms: "If the Govt of Mysore choose to nominate me as a Director on their behalf on the Board of the Mysore Spg and Mfg Coy, I shall be pleased to accept their nomination. I cannot of course lay claim to the knowledge, experience, wisdom or business sagacity of the late lamented Mr Kirchand. But I shall put forth my best endeavours

to discharge the duties of the office

I request therefore that favourable consideration may be ~~afforded~~ accorded to the appointment of Mr. K. S. Ramaswami Iyer as Director on the Board at Bombay on behalf of Govt.

II.

For a long time past the Company has been urging that the capital given by the Government for working the mill is quite inadequate. Govt. has given only Rs. 1,20,000 (One lakh & Twenty thousand) and even out of this ~~the Co~~ they had to spend something for bringing the building & machinery upto working condition. The amount of working capital for floating stock &c is therefore practically less than a lakh which is disproportionately small for a

concern like the mill. The Coy takes its stand on clause (e) of the agreement, under which Govt have bound themselves "to advance all necessary funds from time to time for the working of the Coy's mills." ~~It has~~ therefore repeatedly ~~and~~ demanded a further advance of one lakh of rupees.

The clause is transcribed for ready reference in the margin of page 2 of the note below. Flag 6.

The ~~Govt~~ Company's communication to the late Dewan dated 19.6.1908, Flag 1

My reply dated 14.8.1908 Flag 2

and the Company's reply thereto dated 22.9.1908 Flag 3

may be read in this connection.

I went to Bombay in September last year and discussed the situation with all the Directors. I was impressed with the fact that the Company required more money for working the mill efficiently and to the best advantage. But I was not

prepared to agree that so large an additional advance as one lakh of rupees should be given by Govt. In the alternative the Coy asked Govt. to give up lien on all floating stock to enable them to raise money in the market. Neither I could agree to that neither, for I doubted whether the buildings & machinery alone are sufficient security for the large amount which the Govt has advanced to the concern.

Discussion of the subject has been going on ever since and happily the end seems to be in view. The result of the discussion is embodied in the following note prepared and submitted by the Directors, at my instance, for the approval of Govt. It does not require Govt to give up lien on the whole of the floating stock, but

Abt 4 lakhs in all. Vide page 3 of note at Flag 5. See also margin of last para. JJL

only on a part covered by advances or loans made or secured by the agents beforehand. That is to say Govt. is not required to resign lien on any part of the material purchased with money advanced by it for working purposes.

As a concession, Govt. is also required to regard the arrears of interest for 1906-07 & 1907-8, and the temporary loan of Rs 27000 made in Dec. as addition to the amount allowed for working the mill. This I think may be allowed.

Dewan's order at Flag 4.

It will be seen from the marginal remarks made by me on the note submitted by the Company that there are some points which have yet to be settled. The provisos I have added to clauses III & VI are important in the interests of Govt. - Clause VIII is also not satisfactory from

the Govt. point of view, as it stands.

The relation between the Directors and the Govt. as represented by the Managing Director was very unsatisfactory for sometime — indeed it was nothing short of bitter as some papers in a Secretariat file (not put up) made clear to me some time ago. The fact must be regretted for it is quite clear that if good feeling and mutual trust had subsisted between the two parties, the mill could have made immense financial progress during the period of mill-industry prosperity, which preceded the present period of depression. My endeavours have been directed to the restoration of friendly feeling so that we might all work together to put the matter on a satisfactory footing. An early settlement on the terms of the draft submitted (as modified by me)

will be a move in the right direction as it will release Govt. from an indefinite liability to supply funds & remove one of the most fruitful sources of misunderstanding & friction.

I think it would much facilitate matters if I have an opportunity of personally discussing the matter with the Directors - Also as Managing Director, I should inspect the Head office of the Company once a year. There are other important points to consider & consult the Directors about viz. whether anything can be done to restore the credit of the Company* so that it may raise money in the market and repay Govt. In the ordinary course of repaying Govt. out of surplus profits, it will take atleast 30 or 40 years. If Govt want to get back their money locked up in the Mill* earlier, the only way is to help the Company in reaching a position in which it will be able to raise additional

* The shareholders have not got anything for years and the shares are not quoted at any value in the share market. JRL

* Nearly 4 lakhs
vide page 3 of note
at Flag B. Rs 27,000
has been given after that
& some addl. interest has
accrued. JRL 31/8/09

capital
to take the place of the
capital lent by Govt. If,
therfore, I can make time,
I propose to go to Bombay
for a week or ten days about
the middle of September, should
the Dewan be pleased to
approve of the
step.

31/8/53

Vol circulated
Observations for
the favor of their
opinion

31/8/53

H this No 197 1853

Serial No.

Mr K S Ramaswami Iyer may be appointed a Director to represent Mysore Govt on the Board in Bombay. Another name that suggests itself is that of Mr Nandlal Mowji Goculdas, the well known Bombay mill owner & friend of the late Mr Virchand Dip Chand. He is eminently fit to represent Mysore Govt on the Bombay Board.

The Chief Min may be permitted to go to Bombay to consult the Directors regarding the affairs of the Mill and more particularly to concert measures to restore the credit of the Company and enable it to raise a loan by means of which it could pay off the Mysore Govt loan. This is a step in the right direction.

GPB—50,000—13-5-08

G. R. S. 12]
General and Revenue Secretariat.

G.T File No. 135 of 1909

Serial No.

853

Has clause 9 of the Contract been duly carried out by the Company? If not, when has there been default? What has been done about such default?

21/9/09

To the Comptroller for kind of furnishing the report required of the Commissioner — by 21/9/09

No 2613
23-9-09
Encl 2 plans

COMPTROLLER'S OFFICE
CIVIL BRANCH,
24. SEP. 1909
BANGALORE.
MYSORE GOVT.

L.C. Comm 22.9.09

The Company has not carried on business at a loss and clause 9 has been carried out so far. As regards payt. of interest the profits have always been sufficient to pay interest but some arrears on account of interest have nevertheless accumulated ~~for years interest has not been paid~~.

The position taken up by the Company was that as Govt. were not giving them necessary working capital under clause 2 of the agreement, the interest payable to Govt had to be utilized as working capital. This of course increased the floating stock of the mill which is pledged to Govt. The arrears of interest commenced about the year 1905-6 i.e. ever since the beginning of the agreement, payts made from time

NOTE—Contn. shee

GPB—50,000—13-5-08

Serial No.

trying to make out that we failed to carry out our Contract in ~~the~~ respect of advancing money, and asking us (as a quid pro quo) to forego our lien on part of the stock, to enable it to raise loans elsewhere. It struck me when this clause was proposed to be inserted that such an indefinite obligation would ~~be~~ probably cause trouble - (Note on P.163 of office Note in the main file - No 27 (9.7) of 1901-2) I am not aware that the Company ever took effective steps to bring to the notice of Govt and to make out, its contention that this term of the agreement was not duly kept up, though the H. Secretary in his note says that the ~~Financial Secretary~~ Company has been urging that the Capital given by the Government

NOTE—Contn. sheet.

GPB—50,000—13-5-08

Serial No.

has been inadequate. Mere indefinite murmurs and complaints will not be sufficient to attach legal liability in any such case, when the Company has acquiesced and gone on working with the Capital actually provided. In fact

(2) Clause 7 of the agreement gives ample powers to the Govt Director to restrict the working to such an extent as could be carried on with the working Capital available. What we now may be called upon to Concede is then not what the Company is entitled to ask as a

(2) matter of right in any sense of the term, but it has to be judged independently on other merits.

GPB—50,000—13-5-08

Serial No.

(4)

The proposal is that if with money advanced by the agents or raised by them elsewhere, they provide raw material or other floating stock, such new stock should be freed from the lien imposed by art. 4 of the agreement in force. I am not in favour of our conceding this matter, as I think it will lead to disputes and difficulties in working. The way in which the agreement works at present is as follows. When the produce of the mill is sold, it is paid into the current account opened under Cl. 2 of the agreement, and the balance due to Govt will be lessened to that extent. But suppose the Company get working Capital elsewhere, there is nothing to prevent

GPB—50,000—13-5-08

Serial No.

(5)

Us having undue preference in disposing of, to the stock created by the help of these funds. The Govt account will be at a stand still so far as income is concerned but there is nothing to show that Govt may stop making further advances for working the Concern.

Again, I think there will be a difficulty in differentiating the goods on which Govt has or has not a lien. Suppose stocks of Cotton are purchased from both the funds, and used in making yarn or cloth, will it be easy to keep them always apart, and preventing the more readily saleable stock being all transferred to the

NOTE—Contn. sheet.

GPB—50,000—13-5-08

Serial No..

New account

If it is intended to make some concession, I think the simplest thing is to advance a little more for working Capital within reasonable limits and after careful scrutiny. If that is considered burdensome, we may allow them to go elsewhere on the clear understanding that during the time they are working with Capital raised elsewhere, they should not ask us to advance any more money under clause 3. In that case, we may secure the present stock for the moneys due to us, and allow ~~it~~ floating stock hereafter accumulating to be free of the lien for our

NOTE—Contn. sheet.

GPB—50,000—13-5-08

Serial No. 1153.

advances. This will be a satisfactory arrangement to both Parties and is not likely to lead to any complications.

On other points (about that of a director in Bombay &c) I agree with the 1st Councillor.

3257
12/11/09

9/11/9

Let the remainder of the Council on the foregoing remarks may be shown to Mr Chakravarti as he may wish to consider his position & recommendation

Sd 12 Dec 09

Submitted 12 Dec 09

May be done

13/12/09

10/12/09

For Secy & Comptroller

16/12/09.

Mysore Spinning and Manufacturing Company's agreement

On 31st August 1909 I submitted to the Dewan a note embodying certain proposals for placing the financial relations between the Government and the above Company on a satisfactory footing. The note was circulated to the Councillors and both the Councillors recorded minutes on the subject. The file was then returned to me under Dewan's orders for a further note on the points discussed by the 2nd Councillor.

2. In the first place, the 2nd Councillor agrees that the clause of the agreement under which the Government has to supply all necessary working capital is unsatisfactory as imposing on Government a rather indefinite liability. He says, however, that as far as he is aware the Company never took effective steps to bring the inadequacy of the capital supplied to the notice of Government. With reference to the above remarks of the 2nd Councillor, attention is invited to paras 2, 3 and 4 of the Agents' letter dated the 15th January 1910 in which they point out how the matter was repeatedly brought to notice. It will be seen that the operations under the new ... arrangements commenced in October 1904 and that as far back as April 1905 the Company represented that a concern

like the Mill required about 2½ lakhs at the least to secure smooth working. It will also be observed that, with the advent of the period of depression in the Mill Industry, about the middle of 1908, the situation became so pressing that the Government had to sanction a temporary loan and also to allow -- temporary facilities to the Company for raising money elsewhere.

3. With reference to the 2nd Councillor's observation that clause 7 of the agreement gives ample power to the Government Director to restrict the working to such an extent as could be carried on with the working capital -- available, I would point out that to reduce production in that way is not only to raise the cost of production per pound but to unsettle and dislocate the working of the Mill. As it is, the Mill has to compete with difficulty against others working on a larger -- scale and with more up-to-date machinery; and to have made the Mill work part time or on part of the machinery only under such circumstances would certainly have been disastrous.

4. As regards the observation that what we may be called upon to concede is not what the Company is entitled to ask as a matter of right in any sense of the term, I do not clearly see how the duty of supplying adequate working capital undertaken by the Government under a

legal contract may be regarded as a matter of concession. Whether the Capi tal supplied is inadequate or not is a stern question of fact and the Compan in my opinion, can have very little difficulty in proving the inadequacy by the best expert evidence on the subject. Granting that the capital supplied is inadequate, it is the duty of the Government to supply more capital under th agreement. But as I thought it undesirable to put more Government money into the concern, I have been trying to get rid of the clause requiring Government to supply all working capital by the grant of some compensatory facilities to the Company. The proposal on which the 2nd Councillor recorded his minute of 9th November 1909 was an arrangement to that effect arrived at after much discussion with the Company.

5. I am afraid that the proposal was not so clearly stated as it might have been and did not convey a corrct idea to the 2nd Councillor. It is apprehend -ed by him, for instance, that the pro- posed arrangement requires articles prc -duced from cotton bought with money borrowed elsewhere ~~wicle loans~~ to be -- marked and kept separate from other stock. In fact such marking or keep- ing apart was never intended. A study of the proposed arrangement will shew that all that is required is to lock up some bales of finished goods or

lead to any complications".

7. Now a little consideration will shew that the arrangement proposed by me after discussion with the Company is identical in principle with the one sketched above by the 2nd Councillor. The first clause of the draft agreement releases Government from its obligations under clause 2 of the agreement to advance further sums for the working of the Mill; and the other clauses -- merely indicate a practical way of giving effect to the remaining portion of the 2nd Councillor's plan.

I am not convinced of the soundness of the contention that the obligation to advance money has not been abrogated by the Company's failure to perform its obligations as to payment of interest etc. So whatever facilities we now grant must be by way of concessions - not new agreements. 'No relieving'

8. It will thus be observed that the 2nd Councillor is in substantial agreement with the arrangement suggested by me in my note of the 31st August 1909 and that the arrangement if brought into effect will place the Financial relation of the Government with the Company on a definite and satisfactory footing.

9. After the submission of my note of 31st August 1909, I had further opportunities of discussing the subject with the Directors of the Company and another scheme, alternative with the one referred to in the foregoing paragraphs has been arrived at. This second ~~alternative~~ scheme has, in my opinion, certain advantages over the first. The relative merits of both the schemes are discussed by the Assistant Secretary, Finance Department and myself in the note --

placed below. It is for Government to decide which of the schemes should be adopted. The adoption of either of them would be a great improvement on the present arrangements which deprive the Mill of financial facilities necessary for the successful working of a business concern and which moreover are vague and indefinite and are liable to cause misunderstanding and friction in actual working. Personally, for the reasons given in my note below I am in favour of the adoption of the second alternative scheme but Mr.Krishna Rao, it will be observed, is inclined to take a different view.

J S Chakravarti
22. 2. 1910

Dewan)

Serial No.

A
B

As directed by the Financial Secretary the proposals of the Agents of the Mysore Spinning and Manufacturing Co., as formulated in their original memorandum flagged A and in their subsequent letter dated 15th January 1910 to the Comptroller, are summarised and noted on below.

2. The Chief terms of the proposal made in the original memorandum (A) are the following:-

C

(i). The Company to release the Government from the obligation to supply working capital, imposed by article 2 of the agreement now in force.

D

(ii). The Government to treat the sums of (1) Rs. 1,22,452-4-5 advanced as working capital, (2) Rs. 27,000 temporarily advanced for the same purpose, and (3) Rs. 13,672-6-7 being interest due by the Company on the ~~loa~~ loan for the working expenses aggregating Rs. 1,63,124-11-0 as a loan to the Company under the terms of agreement of 15th October 1904.

C

(iii). The Government to release from their lien and relinquish possession of finished goods (yarn or cloth or both) of the value of amounts advanced by the Agents or of the loans or deposits otherwise obtained by the Company to supplement the working capital of Rs. 1,63,124-11-0 advanced by the Government. The Government to also permit exchanges of finished goods once released from lien for other finished goods under Govt. lien and selected by the Agents.

(iv)

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(iv) So long as the Company quits the value of the buildings and machinery at Rs. 3,75,000 either by additions to or renewals of machinery the Government not to ask for the repayment of the loan of 3 lakhs.

(v) The Government to permit two-thirds of the annual profits of the company which is payable to them under the agreement now in force to be distributed as divideneds among the Share-holders.

(vi) The increased profits accruing from extended business undertaken with larger working capital and the payment of dividends to the share snare-holders are expected to create a demand for the unsold shares of the value of Rs. 2,76,630 and whatever amount is realised by the disposal of these unsold shares is promised to be paid to the Government towards the liquidation of the consolidated loan of 3 lakhs.

4. The Agents contend that the working capita supplied by the Government is inadequate and ask for facilities for borrowing money elsewhere, if the Government themselves are not prepared to advance, for working expenses, a total sum of 2½ lakhs, including Rs 1,65,124-11-0 already held by them for the same purpose.

As regards the facilities required for borrowing elsewhere the Agents have made two alternative proposals the details of which are given in paras 2 and 3 supra.

5. Past experience shows that the propspect of recovery of amounts advanced to the Company is

NOTE—Contn. sheet.

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is remote and it is accordingly undesirable to add to the already heavy debt which the Company owe to Government. As there seems to be some force in the Agents contention that the working capital given by the Government is insufficient and as it is inadvisable for the Government to advance any more money for working expenses, the only course open is to permit the Company to raise loans elsewhere.

6. According to the 1st alternative proposal, the Government are to release from their lien only portions of the floating stock equivalent in value to the loans raised ~~on the security of such stock~~ by the agents on their credit, i.e. Retaining under the lien of the Government sufficient (allowing a reasonable margin for ~~the~~ fluctuation in prices) floating stock to cover the working capital advanced by the Government, there appears to be no objection to permit the Company to pledge the balance of floating stock for borrowing elsewhere more money for working expenses.

7. According to the 2nd alternative proposal the Government are (1) to release from their lien the entire floating stock which is now security for the working capital advanced by them; (2) not to ~~accede~~ demand the repayment of the consolidated loan of 3 lakhs so long as the estimated value of machinery and buildings stands at about Rs 3,75,000; and (3) not to require the payment of two-thirds share of the annual profits due under the agreement but allow

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allow it to be given to the share-holders as dividends. In return for these concessions the Government are to get in cash only the excess (Rs 88,006-2-0) over 3 lakhs of the consolidated loan.

8. Now, the debt for which the buildings and machinery are security is (Rs 1,56,511-1-6 plus Rs68,370-5-6 equals) Rs 2,24,881-7-0 . Under the proposed arrangement the same property is to be held as security for a loan of 3 lakhs. In this respect therefore the second proposal is disadvantageous to the Government. The first proposal is to be preferred as it will not practically diminish the security for the debt.

9. Under the agreement in force two-thirds of the annual profits is payable to the Government, though this part of the contract has remained unfulfilled so far. According to the proposed 2nd arrangement the Government are to forego this right and the repayment of the entire consolidated debt of 3 lakhs is to be indefinite. Under the first proposal two-thirds of the annual profits can be claimed and taken towards the repayment of the loan with interest. If, as stated by the Agents, additions to the existing capital results in extensions of business, larger profits are perhaps to be expected and greater will be the annual payment to the Government towards the interest on and principal of the loan. So in this respect also the second

It is thus, I believe that gave for it at any time to end the Contract.

proposal

Serial No.

proposal is more unfavourable to the Government than the first.

10. Although the Government are not getting back their money there is one good feature in the present arrangement, namely, that as the value of assets of the Company is steadily increasing the Government have the satisfaction that the value of the security held by them for their total debt is ~~raising~~. Under the 2nd proposal the security of the Government will be limited to the buildings and machinery alone and as the additions to the value of ~~these~~ these latter ~~is~~ are not ~~not~~ generally appreciable and as also the value of the buildings and ~~machinery~~ machinery is not as easily realisable as that of floating stock the position of the Government under the second alternative will be worse than under the existing arrangement or the proposed 1st alternative.

11. Under the 2nd alternative the reduction of the rate of interest from 5 per cent to 4 per cent is asked for. If the excess over 3 lakhs which the Company offers to pay in cash is adjusted towards the interest on the old loan (Rs 68,370-5-6) and that on the loan for the working expenses (Rs 13,672-6-7), ~~almost~~ the entire amount of the consolidated loan of 3 lakhs will be one bearing interest at 5 per cent ~~on~~ and the reduction of the rate of interest to 4 p.c. also entails of about Rs 3000 per annum. If however the excess over 3 lakhs is taken against the interest on and part of the advance for working capital

The rate of interest on the loan given to the Coy was originally 6 pc & was subsequently reduced to 5 pc

NOTE—Contn. sheet.

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capital the consolidated loan of 3 lakhs would include a sum of Rs 68,370-5-6 which now carries no interest and 5 per cent on the loan proper (old loan Rs 1,56,511-1-6 plus balance of loan for working capital not covered by cash payments proposed Rs 75,118-9-0)-would be about the same as 4 per cent on the aggregate loan of 3 lakhs.

12. The 2nd proposal comes to this:-

(a) The Government are to give a loan of Rs 75,118-9-0 for working expenses without any security other than the buildings and machinery which is already pledged to them as security for the old loan and the interest on it and

(b) the consolidated loan of 3 lakhs is to be a kind of permanent debt without any propsect of its repayment, the Company being bound ~~to~~ only to pay annually the interest on the debt.

13. The terms of the 2nd proposal are thus unfavourable to the Government and the cash payment of the excess over 3 lakhs is not a sufficient inducement to the Government to forego ~~its~~ their rights under the existing agreement. The propsect of the undisposed of shares finding a market and of the proceeds of such shares being applied to the repayment of the Government debt is extremely remote and it cannot be a factor in the consideration of the relative merits of the two proposals.

14. If the choice were confined only to the two alternatives as formulated by the Agents it seems

NOTE—Contn. sheet.

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seems prefereable to chose the 1st alternative. The 1st proposal would be more acceptable if the Company could pay the temporary loan of Rs 27,000, the overdue interest (Rs. 13,672-6-7) on the loan for working capital and the excess (Rs. 22,452-4-5) over 1 lakh of the loan for working capital and convert only the balance of 1 lakh into a debt secured on an adequate quantity of floating stock and repayable from the annual two-thirds profits due to the Government under the agreement.

15. The 2nd alternative would be acceptable if the Company were agreeable to the following modifications:- (1) The whole of the loan for the working capital with interest on it to be paid in cash instead of only the excess over 3 lakhs of the consolidated debt. The Company consider that the Government may advance a sum of 2½ lakhs on the security they can offer. They may therefore raise the same amount elsewhere and discharge the entire Government debt on account of working capital. If the Government get back their working advance, the floating stock will be released from their lien and the Company will be at liberty to raise money in whatever manner they like, on the security of such stock.

(2) The right of Government to two-thirds share of the annual profits under the existing agreement to continue, and the share to be paid regularly and not withheld as hitherto. It is quite necessary to insist on the continuance of

NOTE—Contn. sheet.

GPB—50,000—13-5-08

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of this term of the agreement as, otherwise, there is no hope of getting back the money advanced by the Government.

9m W/L 18-2-10

The above note puts forward the particulars of the two alternative schemes in a fairly clear manner.

The first alternative is rather complicated, would require Government to watch the working of the Mill rather closely and may bring Government into conflict with the third party, (e.g., Madras Bank) from whom the Mill will raise money on the floating stock released by Government.

The second alternative has the merit of very great clearness. The Government loan of 3 lakhs will stand on the security of the buildings and machinery only, and Government will take care to see by inspection and periodical valuation that the value of the Security has not materially deteriorated. It will have no direct concern in the working but will keep a general watch as the interest and eventually the ... principal of its loan is to come out of the profits of working. The floating capital will not be under Government lien and the Finacial resources of ordinary business concerns will be available to the Mill as

GPB—55,000—27.4.09

Serial No.

far as the floating stock will be concerned.

The second alternative, besides clearness, has also got the advantage of bringing back to Government about a lakh of rupees of the principal and interest due. The amount as now estimated is 88 thousand and odd but it can be easily made a round lakh. This return of one lakh out of the business is to my mind a very good feature of the second alternative.

The security for 3,88,000 is now the whole Mill buildings, machinery and floating stock. If the second alternative is adopted the security for 3,00,000 will be the buildings and machinery only. The Company asks us to adopt the second alternative only if experts appointed by the Mysore Government pronounce the ... market value* of the buildings and machinery to be over 3,75,000. If there is a safe margin- and 75,000 in 3 lakhs is 25% margin- why should we be afraid to accept the buildings and machinery only, as a security for the reduced loan?

The apparently weak point in the second plan is the remoteness of the chance of the capital being repaid. But the chances under the alternative scheme are also not very favourable. The present agreement contains a clause regarding the payment of 2/3rds profits to Government towards the repayment of the capital. The repayment of the capital by this process, if

* The book value is over 7½ lakhs. The valuation made by experts appointed by first comes upto Rs 6,90,000 odd— a very satisfactory result. M 28/12

NOTE—Contn. sheet.

GPB—55,000—27.4.09

Serial No.

at all possible, will take a very long time. The Company asks us to forego the 2/3rds profits to enable the Company to declare dividends so as to regain its position in the market. If it can regain its position to such an extent as will enable it to issue its unissued shares or to issue debentures, the repayment of Government Capital will become easy. A steady payment of dividend for a few years may bring about this state of affairs; and we may, I think, agree to forego the 2/3rds profits experimentally for a period of three years on the understanding that the Government will have the right of enforcing the condition regarding 2/3rds profits after 3 years if they think fit. If we find after 3 years that the grant of the concession has not materially brought nearer the prospects of repayment of Government Capital by the Company, we will have to enforce the condition and appropriate 2/3rd of the profits, whatever that may be, towards the repayment of the capital.

I would therefore agree to the second alternative with the following modifications:-

(a) Instead of paying back 88,000 and leaving a consolidated debt of 3,00,000 the Company should pay back 1,13,000 and leave a consolidated debt of 2,75,000 on the buildings and machinery only.

(b) The right of Government to 2/3rds the

I would make it five years now as over 3 lakhs will be quite safe for that period on property valued 6,90,000. M

I would insist for the return of a solid lakh. M

NOTE—Contn. sheet.

GPB—55,000—27-4-09

Serial No.

profits as under the present arrangement will not be enforced for 3 years. After 3 years the Government will have a right to appropriate 2/3rds profit towards repayment of capital if such a course should seem desirable.

5 years M

(c) The above is subject to the condition that the experts to be appointed by Government (at the cost of the Mill) declare the present value - market value - of the buildings and machinery to be over 3,75,000 (so as to leave a margin of clear one lakh). The Company will be bound to keep up the value to this sum by renewals and additions and whenever at a subsequent valuation the value is declared by the experts appointed by Government to be less, the difference should at once be paid in lump sum by the Company to Government.

5 lakhs ?

75000
13550
25 00

This condition has been satisfied. M 28/12

(d) If the above conditions are agreed to by the Company the rate of interest may be reduced to 4 per cent on the consolidated loan. (This reduction will be to a great extent nominal for at present about 68,000 of the amount due does not bear interest)

(e) A new agreement should be entered into embodying the above conditions and giving Government the right of summarily enforcing the conditions if the Company fail to observe any

GPB—55,000—27-4-09

Serial No.

one of them.

If the Company agree to the above conditions and a new agreement as suggested in this note be entered into, I venture to think that the financial relation between the Government and the Company will be satisfactory and clearly defined.

J. S. Chakravarti
Dewan
22. 2. 1910

4870/5.3.10

25/2/10

Note Circulated to Councillors and brought up at an early Council meeting at which the Committee may be requested to be kindly present.

Circulate

4/4/10

Some terms for Retrenchment of more detail seem desirable.

I have gone cursorily over this note but should like to have it again a week or 2 or 3 days before the meeting.

23/4/10

Submitted

Seen & returned. 18/5/10

18/5/10

Serial No. 1939

28.4.10

In its broad outlines I would accept the second scheme with the modifications suggested by the Comptroller.

The fact is, the Mill requires to be set free from successive Government interference. The aid now given to it is very much of the nature of the aid given to Coffee planters for working their Estates. The last state is worse than the first.

The debt due to Government is increasing daily. It is necessary to take steps to put a limit to this. If the debt is to be reduced to Rs 275,000 by payment in Cash of Rs 1,13,000, a real step will have been taken to put the business on a Sound basis.

We ought to be content with a certain interest of 4%

GPB—55,000—27-4-09

Serial No.

rather than an uncertain interest of 5 % and 2/3 profits which have never been realized

We should look more to the interests of Government both to the larger interest of shareholders and the welfare of the business in which the Public is interested. It therefore behoves Government to make some sacrifice if necessary. The terms mentioned by the Comptroller involve no such sacrifice.

The security offered for the debt of Rs 275000, might be accepted as good, if expert opinion confirms the valuation at 375000

The great thing is to enable the Company to have recourse to the business facilities in the Open market now

NOTE—Contn. sheet.

GPB—55,000—27-4-09

Serial No.

available to similar concerns and tried to hamper it with restrictions which are inseparable from Government interference. We should remember that the Shareholders have not got any dividend for a good long time and Govt. should do everything in its power to start the Mill on sound Commercial principles & let it take its proper place in the Indian market.

KKN
27/12/10
CM

GPB—55,000—27-4-09

G. R. S. 12]
General and Revenue Secretariat.

Min File No. 97 of 1909

Serial No.	
	to Dewan with the Council Resolution
	Tm
	25/5/10 Ag Mg 25/5/10

NOTE—Contn. sheet.

GPB—55,000—27-4-09

6291/26-5-10

Extract from the Proceedings of the 250th Meeting of the Council of His Highness the Maharaja, held at Bangalore on the 19th May 1910.

II. Subject.-(Clause xi of the Schedule).

The Financial Secretary's note dated 31st August 1909, and subsequent notes, regarding the financial relations between Government and the Mysore Spinning and Manufacturing Company.

GPB—300—29-4-08

154.

Submitted to His Highness.

Paper under discussion B.

These papers relate to two alternative proposals made by the Agents of the Mysore Spinning and Manufacturing Company for placing the financial relations of the Company with the Government on a better footing. Under Clause 2 of the Agreement between the Government and the Company the Government have agreed to "advance all necessary funds from time to time for the working of the Company's Mills". The working capital advanced by Government amounts to Rs.1,49,452 (including a temporary advance of Rs. 27,000), but the Company has always contended that this amount is quite inadequate. On the other hand as the Government has a lien on all the floating stock of the mills, the Agents have no means of raising the necessary funds elsewhere. The position is very unsatisfactory, and it is to put an end to this state of things that the two alternative proposals have been made. The proposals are fully explained in the notes of the Financial Assistant Secretary dated 18th February 1910, and the Financial Secretary recommends

(455)

recommends that either of the proposals may be adopted with the modifications suggested by him. The second proposal which is the one favoured by the Financial Secretary is briefly to consolidate the existing loans and advances, and bring the amount down to Rs.3 lakhs, the security to be the buildings and machinery only, instead of buildings, machinery and floating stock as at present.

2. The Council has considered the question, and is of opinion that an estimate of the present market value of the Mills (buildings and machinery) may be made by one or two experts and the general question of the financial relations between Government and the Company considered after such valuation. This may be approved.

T Ramakrishna Rao
28 May 20

G. R. S. 12]
General and Revenue Secretariat.

R. Sec. File No. 135 of 1909-10 57

Serial No.	
	May the Comptroller's reply to this office letter No: H: 5754 dtd 25.5.1910 be awaited ? K.S. 11/6/10.
	11.6.10
12	Letter dtd 8.7.1910 from the Comptr. Encloses the reply of the Agents to say that they will bear the charges of the Experts to be invited to valuate the buildings & machinery of the mills. Submitted with a draft in accordance with the Dewan's Submission note to His Highness. K.S. 12.7.10
	12.7.10
	13/7
	Issued 14.7.10
13.	Govt Corrp. No H 200-1 & 15/7/1910 & 7135-09 Directing that an estimate of the present market value of the buildings and machinery of the Company should be first made by one or two experts

NOTE—Contn. sheet.

GPB—55,000—27-4-09

G. R. S. 12]
General and Revenue Secretariat.

G. F. File No. 135 of 1909

Serial No.	
	the Company bearing the cost ~~thereof~~ thereof before the question of financial relation between the Govt and the Company is considered and settled: The Comptroller, as the Managing Director of mills is requested to take action in the matter with the approval of Govt in regard to the expert to be employed.
	Letter No. 1795/355 of 14/9/1910 from the Comptroller
14	Reports that messrs. Bradbury Brady & Co of Bombay consent to undertake the work of valuing the machinery of the mill for a remuneration of Rs. 1000 with travelling and other expenses and solicits orders of ~~Govt approving~~ approval by Govt to appointment of the firm for the work on the terms proposed by them. Further adds that he has arranged for the valuation of the building by a local retired Engineer Officer at an estimated cost of Rs. 500/- and solicits sanction of Govt thereto.
	Submitted for orders with a draft ~~for approval~~ thereon.
	8/9/09

NOTE—Contn. sheet.

GPS—53,000—27-4-10

8001
21-9-10

Dewan

Dy Secy (off.) Secy

F. R. S. 12]
General and Revenue Secretariat.

G7 File No. 135 of 1909

Serial No.	
	To The Comptroller & Fort. & Managing
15	Director, Mysore Spining & manufacturing Co. Ltd.
	G.O No. 71 1839-40 dt 2/10/10.
	97 135-09
	Sanctions the proposal to appoint Messrs Bradbury Brady & Co. of Bombay for valuing the machinery of the Mysore Spinning & Manufacturing Co. Ltd. Bangalore, the expenditure thereof being borne by the Mills and reports that the services of the local Engineer Officer employed for the valuation of the building of the Mills may be reported to Govt.
16	From the Comptroller
	No. 2266 dt 5-10-1910. - Reports that Messrs Bradbury Brady & Co. have been asked to take up the work of valuation of the machinery and that the retired local Engineer Officer employed for estimating the value of the Mill buildings is Mr. V. H. Karve.
	Submitted for orders.
	The receipt of the report of valuation has to be awaited.
	29/10.
	Dewan (for Chief) Secretary 29.10.10.

Note—Contn. sheet.

GPB—55,000—27.4.09

G. R. S. 12]
General and Revenue Secretariat.

Q7 File No. 135 of 1909

Serial No.	
	From the Comptroller
17	No. 3270 & 28-11-1910.
	Forwards for the information of Govt the Statements of valuation of the Mysore Machinery etc. of the Mysore Spinning and Manufacturing Company Ltd. estimated by Messrs Bradbury Brady & Co & promises to submit a further report as regards the valuation of the Mill buildings when the same is received from the Chief Engineer.
	Submitted.
	The total valuation of the machinery etc. amount to Rs. 5,18,952 vide Summary of valuation furnished by Messrs Bradbury Brady & Co.
	No. 36.
	25/12/10
	Keep till corr. T.L's return.
	Rm. 5-12-10
	27/12/10
	Please await receipt of the valuation of the Buildings & then submit finally.
	29.12.10
18	From the Comptroller
	No. 3731 & 15/12/1910.
	P&R 653

NOTE—Contn. sheet.

GPB—55,000—27-4-09

G. R. S. 12]
General and Revenue Secretariat.

47 File No. 135 of 1909

Serial No.

that money is available and that the work could longer or was more onerous than was thought at first. Mr Karve could have stipulated for a higher amount and having entered into a Contract with his eyes open he cannot at any thing more because there is balance remaining out of the amount deposited there can be no case for addl payment. If the company to whom the balance is in justice due be prepared to agree to this addl payment there would then be no objection. Without their Consent it seems not correct to sanction any sum other than what was agreed upon.

The representative of the mill agents (Mr Sirur) has agreed to pay the amount now asked for i.e. Rs 600/- for building valuation.

Next as to the Valuations.

28/12

Messrs Bradbury Bradley & Co have estimated the value of Well Machinery &c including accessories at Rs 5,18,952 against Rs 5,84,617-11-5 as given in the Balance Sheet of the company now placed in the file. The value has fallen by Rs 65,665 against which there is a credit of Rs 1,16,091-6-10 in the depreciation fund account. The mine rigging has been valued by Mr Karve at Rs 1,74,148 against Rs 1,80,243-11-9 as given in the Balance Sheet of the Company. ~~However whether the Valuation of the Mines is to be accepted as the present~~

NOTE— Contn. sheet.

GPB—50,000—12-8-10

G. R. S. 12]
General and Revenue Secretariat.

47 File No. 135 of 1969

Serial No.

Valuation is less than the Book Value by Rs 6095.

The total value of Dredging Machinery as per present valuation amount to Rs 6,93,100 while the for loan account Stands as per balance sheet as follows:-

Equipment account (old) 156111-1-6
Payment Current acct 1,49,452-4-5
Payment Interest acct 84,602-1-8
Total 3,90,565-7-7

The properties are therefore nearly 1 4/5 times the loan & interest outstanding against the Company. If the Company is proposed to wind up the old one & takes then the Govt will have property worth Double the amount as security for the loan.

Mr. Karve opines that if the Dredging is not necessary for mill purposes the value may be taken at 2/3 & the value he has arrived at is at 1,16,078-10-8. In such a Case the machinery & accessories may not be worth anything but the value of Scrap. His method of working is not therefore beyond value (I see.)

22.12.10

The result of the valuation is much better than I expected. We are now in a position to act according to the

NOTE— Contn. sheet.

GPB—50,000—12-8-10

G.R.S. 15]

Facing sheet for Cases included in the schedule appended to Notification No. 36 of the 8th. Aug. 1902.

GENERAL AND REVENUE SECRETARIAT.

Subject— Financial relations between Govt and the Mysore Sp'g & Mfg. Co.

	Date	Initial of Officer himself or responsible Deputy
Received in the Secretariat		
Submitted to Secretary		
Submitted by Secretary to Dewan or Councillor in charge		
Returned to Secretary		
Circulated by Secretary for Council	22.4.10.	
Forwarded by Councillor		
Forwarded by Councillor		
Received in Secretariat		
Considered in Council		
Submitted to the Dewan		
Submitted to His Highness		
Orders passed by His Highness		
Final Orders issued		
Circulated to Councillors		
Passed on by the Councillor		
Returned to Secretary by Councillor.		

GPB—1,000—13-10-09

C. 398
22.4.1910.

66

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

Financial Secretary's note regarding the financial relations between Government and the Mysore Spinning and Manufacturing Company.

CIRCULATED TO COUNCILLORS.

By Order,

22. 4. 1910.

C S Balasubramanya Aiyangar
Offg. Secretary to Government.

K. P. Puttanna Chetty, Esq.,
First Councillor.

H. V. Nanjundayya, Esq., M.A., M.L.,
Second Councillor.

Submitted to His Highness.

"Paper under disposal."

The necessity for placing the financial relations between the Government and the Mysore Spinning and Manufacturing Company in a more satisfactory footing was explained in my note dated 23rd May 1910. As then approved by His Highness, an estimate of the present market value of the mills was made by Mr. Karve, retired Superintending Engineer (for buildings) and by Messrs. Bradbury Brady & Co. (for machinery), and the result is somewhat better than was expected. The estimated value of the machinery and accessories is Rs.5,18.952 and of the buildings Rs.1,74,148 making a total of Rs.6,93,100, against a liability to Government for Rs.3,90,565.

2. The question having been considered in Council, the Council is of opinion that the alternative suggested by the Financial Secretary, viz. to release the floating stock of the mills from the Government lien on payment by the Mills of one lakh out of the amount due to Government, may be adopted. The conditions of the new arrangement are those mentioned at

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Proposed revision of the Financial relations between the Government and the Mysore Spinning and Manufacturing Company.

DAT. 20.3.11
No. 1858

559.

Order.

Sanctioned
KRW
24/3/11

G. R. S. 12]
General and Revenue ecretariat.

67 File No. 135 of 1999

Serial No.

Submitted with a draft

This file has, I think, to be also sent up to the Comptroller for reference ~~[illegible]~~ to enable him to prepare the draft agreement

Sub
27-26
1/2/1911.

~~[illegible]~~

1574 in

Asst Secy

I have just glanced thro' the draft. Please see & if all right, issue. The draft agreement will be drawn up on receipt of the order and submitted to Govt for approval

M.
27/4/11

Draft resubmitted with a few alterations pr appx (Secy)

Draft approved & see Secy Dewan)

1/222

22.4.11

M 27/4/11

Vide routine note 27/4/11.

Draft approved by the Dewan

27-4-11

Issue above

Rec'd back 27.4.11

NOTE—Contn. sheet.

GPB—50,000—12-8-10

G. R. S. 12]
General and Revenue Secretariat.

Q. T. File No. 135 of 1907

Serial No.

19

To the Comptroller

No. H 5379 & 29-4-11

States that though the Govt have advanced, for working Capital, a large amt, still it is not enough to meet fully the requirements of the Mills, that the Company (Control raised) is under some disadvantages as Govt have a lien on all their property & that so to avoid this approves of the 2nd of the Comptroller's proposals viz to release from Govt lien, of the whole of Govt the floating Stock of the Mills, under certain conditions.

GPB—50,000—12-8-10

G.R.S. 13]

F 155-07

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

F draft as per personal instructions of the Hd Assistant in Fabruille:

N. 36

26/6/1911. Resolution passed on the Leader
26/6/11 & the Comptr's letter was read & the Secretaries were
directed accordingly.
26/6/11 Receipt issued

Wl 7/6

To the Comptroller
No. Fl 6266 of 30-6-11
conveying Sanction to the payment of Rs 600/- in all to Mr. R. H. Karve for work done by him as agreed to by Mr. Sirur representative of the Mills.

20

N. B.—Should routine notes be written on small slips, the notes must be copied or slips pasted on this form.

GPB—30,000—23-2-11

G.R.S. 26]

File No.

Serial No. 11

14/7/15

Diary No. of letter replied to

No. R5754

General and Revenue Secretariat

( )

, *the* 190

To

25 May 1926

The Comptr.

Date of issue 25 May 1926

Signed by N Lakshmi narasimhulu

Sir,

Adverting to
your note in regard to the
financial ~~settlement~~
relations between the Govt:
& the Empire Spinning
& manufacturing Company,
~~am directed to state~~
~~that the Govt:~~ understand
that the Company are
prepared to pay the Experts
who are to be invited to
value their buildings &
machinery and ~~to request~~

over.

SUBJECT.

Paul Reuter encloses a long note together with a memorandum from the Company to obtain the Company's views on the proposal to make an undertaking of this effect in connection with [illegible] if this has not already been done.

Diana H:

25-7-50

H. Levy

21/8/50

List of enclosures,

Copied by

Examined by

GPB—10,000—23-5-08

0151

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government.

No. 144 Loans Secs 2. A.C.

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

Dated Bangalore, the 8th July 1910.

FROM

J. S. CHAKRAVARTI, ESQ., M.A.,
F.R.A.S., etc.,
Comptroller to the Government of
His Highness the Maharaja of Mysore.

To

C. S. Ramaswamaram Iyengar ESQ., B.A.,

Offg: *Secretary to the Government of Mysore,*

General and Revenue *Departments.*

SIR,

With reference to your letter No. Fl. 5754/Gl. Mis. 197, dated 25th May, regarding the payment of the charges of the expert invited to value the Buildings and Machinery of the Mysore Spinning and Manufacturing Co., Ltd., I have the honor to forward herewith for the information of Government a copy of my letter No. 6063 dated 25th May 1910, to the Agents, and their reply, dated 4th June 1910, thereto. It will be seen from the latter that the Agents have agreed to bear the charges of the expert.

I have the honor to be,

Sir,

Your most obedient servant,

J S Chakravarti

Comptroller.

Rec.—Gl. 17]

Account & Current Department.

19 10

From

J. S. CHAKRAVARTI, Esq., M.A., F.R.A.S., etc.,

Comptroller to the Govt. of H. H. the Maharaja of Mysore.

To

C. S. Balakrishnaramiah, Esq., B.A.

Secretary to the Govt. of Mysore,

Revenue & General Dept.

Dated 8th
Despatched 9 } May 1910
Received

No. 144 Ex
ac

Subject-matter.

Forwarding for the information of Government, copy of letter no 6063 dated 25th May 1910 to the Agents, Mysore Spinning and Manufacturing Company, Bangalore re the payment of the charges of the Expert who valued the Buildings of the Company.

"

GPB—1,000—24-6-09

(4)

Letter No. 6063/Loans 1864-5 dated 25th May 1910 from the Comptroller, Mysore Government to the Agents, Mysore Spinning and Manufacturing Company, Limited, Bangalore.

Adverting to the proposals under discussion in regard to the future financial relations to subsist between the Government and the Mysore Spinning and Manufacturing Company, it is understood that the Company are prepared to pay the charges of the experts who are to be invited to value their buildings and machinery and report thereon. I am therefore directed to enquire whether the Company are prepared to deposit a sufficient sum with Government to pay the charges of the experts. For the present a sum of Rs. 2,000/- may be deposited the excess or deficit being adjusted by the Company afterwards. The experts will of course be appointed by Government and their report will be made to Government. It must also be distinctly understood that the valuation is only a preliminary step and does not bind Government to adopt any course in future regarding the settlement in question.

Copy

M Varadarajaiya
Asst. Superintendent
Comptroller's Office

5

Letter dated the 4th June 1910, Bangalore, from the Agent, Mysore Spinning and Manufacturing Company, LTD to the Comptroller, Mysore Government.

With reference to yours letter no: 6063/1864 of the 25th May last, asking us to deposit Rs.2,000/- towards the charges of the expert, the Government intends inviting to valuate the Company's property, we have the honour to say that our bills in respect of items supplied to Government, to the extent of Rs. 5,856-1-3 are now awaiting payment with the General Secretary to Government, and the sum of Rs. 2,000/- asked for to meet the charges of the expert, may be utilized out of the above funds.

"Copy"

To Mr. Saundersy's
Asst Superintendent
Comptroller's Office

G.R.S. 28.]

File No. 135-09
Serial No. 13

Diary No. of letter replied to 151

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT.

, *the* 19

Date of issue 15 July 10

Signed by W Lakshmi Narasimhaiah

READ— the Comptr's memo: dtd the 31st August 1909 + subsequent Correspondence in regard to the future financial relation to subsist between Govt + the Mysore Spinning + Manufacturing Company, Limited.

~~ORDER THEREON. No.~~

No 26200—1
dt 15 July 1910

Order thereon:—

The Agents of the Mysore Spinning and Manufacturing

over

SUBJECT.

GPB—5,000—7-5-09

Company, Limited, have
suggested two alternative
proposals in the matter of
placing the financial relations
of the Govt with the Company
on a better footing.

2) Govt are of opinion
that, before ~~the~~ ~~two~~ general question
can be considered, it is
necessary that an estimate
of the present market value
of the Buildings + machinery
of the Company should be first
made by one or two experts
to be appointed by Govt, ~~and~~
the ~~agents~~ to bear the
charges of such experts and that the general question of the financial relation between Govt & the Company should be considered after such valuation.

3) In the foregoing circumstances,
the Comptroller to Govt, who is
also the managing & of the mills,
is requested to ~~suggest~~ have the necessary
~~action taken after obtaining the views~~
~~of the experts to be appointed~~
~~of the Govt to the suggestions recommended~~
~~by him for their valuation at a~~
very early date.

The Company in their Agents' letter ~~dated~~ dated 4th June 1910 to which attention have agreed to pay the cost of such valuation."

14-7-10

K.S. 12.7.10.

4/7/10. Secretary to the Govt of the Straits Settlements

arrangement may also be communicated to me.

I have the honor to be,

Sir,

Your most obedient servant,

JS Chakravarti

S.A.M. Comptroller.

mdb

Letter dated 10th September 1910 from Messrs Bradbury, Brady & Co., Bombay, to the Comptroller, Mysore Government, Bangalore

-+++++++++++++++++++++-

We have to acknowledge receipt of your favour of 1634/B&R. 321 the 5th Instant, for which we thank you.

We shall be pleased to undertake the work of estimating the value of machinery of the Mysore Spg. & Wvg, Mills Co Ltd.,

Our Mr. Lakin would proceed to Bangalore to take an inventory of the machinery &c, and the final calculations and estimates will have to be made at our office in Bombay, which would probably take about three weeks.

Our remuneration would be 1st Class Return Travelling Expenses, Hotel Expenses, with Carriage Allowance to and from Mill, and Rs.1,000/- after full completion, on submitting you our valuation.

C O P Y

Assistant Superintendent,

S.A.M.

Extract of letter dated 10th August 1910 from Messrs. Tata Sons & Co., Bombay.

+++++++++++++++-

x x x x x x x

We would refer you to one of the four Bombay Firms who are Machinery Agents for the purpose. It is their business to make out specifications, estimates etc for all textile machines and power plant, and to advise people generally on all matters connected with the Mill Line. We would particularly recommend the last mentioned Firm with whom we had some dealings in the past.

Greaves Cotton & Co., Forbes Street, Fort.

N. N. Wadia Sons & Co., Home Street, Fort,

Sorabji Shapurji & Co., Apollo Street, Fort,

Bradbury Brady & CO., Churchgate Street, Fort.

x x x x x x

E x t r a c t

Assistant Superintendent,

S.A.M.

D 1170 Jan Fin

135 09-14

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted.

19[illegible].

From

COMPTROLLER,
MYSORE GOVT.

To

The Secretary to the Govt.
of New Delhi

Dated

Despatched 15/9/60

Received

General No. 1795

No. 355-

Enclosure No. 2

Requesting early orders of
Govt. approving the appointment
of this Farm for the work
on the terms proposed by them

2

G.R.S. 28.]

File No. 135-09
Serial No. 15

Diary No. of letter replied to 1170

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT.
( )

, *the* 19

Date of issue 2nd October/10

Signed by W. L. Narasimha Row

READ—

G.O. No. H 200-1 dy 15th July 1910.

stating that an estimate of the market value of the buildings & machinery of the Mysore Spinning & Manufacturing Co Ltd should be first made by experts before Govt. can consider the financial relation between them and the Company

ORDER THEREON. No.

2. Letter No. 1795/355 dy 14/9/1910. from the Comptroller to the Govt. of H.H. the Maharaja soliciting sanction to the appointment of Messrs Bradbury Brady & Co of Bombay for valuing the machinery of the Mysore Spinning & Manufacturing Company Ltd Bangalore for a

over

SUBJECT.

GPB—5,000—7-5-09

Nov
H00

remuneration of Rs 1000/- together with travelling ~~allowance~~ and other expenses and stating that he has made arrangements to have the work of the valuation of the building done by a local retired Engineer Officer and to have his estimates checked by an Officer of the PWD at a cost of about Rs 500/-

Order thereon No JE 1839-40
GB Fin 135-09

Sanctioned. By 2-10-10

~~Both these items of~~ Expenditure will be borne by ~~being debited to~~ the Mills as already agreed by them.

2. Necessary letter issued to local Engineer Officer empowered & one issued to Govt.

for H Secretary

To the Comptroller & the Govt & Managing Director Mysore Spinning mfg Co Ltd Bangalore

D 1511

Cy 7 Sl(16)
135-09

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government.

No. 2266
B&R 439.

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMEN

Dated Bangalore, the 5th October *19* 10.

FROM

J. S. CHAKRAVARTI, ESQ., M.A.,
F.R.A.S., etc.,
Comptroller to the Government of
His Highness the Maharaja of Mysore.

To

.....~~Esq.~~,

The *Secretary to the Government of Mysore,*

.....Financial.....*Department.*

SIR,

Agreeably to Government Proceedings No.Fl:1839-40/Gl:Fin:139-09 dated the 1st October '10, I have the honor to report for the information of Government that Messrs. Bradbury Brady & Co., have been ... asked to take up the work of valuation and that the retired Local Engineer officer employed for estimating the value of the Mill buildings is Mr.V.H.Karve, retired Superintending Engineer, Mysore Government service, who has been selected for it by the Public Works Secretary. I may also add for the information of Government that the Public Works Secretary has kindly agreed to have the estimate of Mr.Karve checked by ~~an~~ an officer of his Department.

I have the honor to be,

Sir,

Your most obedient servant,

J S Chakravarti

Comptroller.

Rec.—Gl. 18]

.....Department.

19/0

From

J. S. CHAKRAVARTI, Esq., M.A.,
F.R.A.S., etc.,
Comptroller to the Govt. of
H. H. the Maharaja of Mysore.

To

.....Esq.,

Secretary to the Govt. of Mysore,
Genl & Rev .....*Dept.*

Dated

Despatched 6-10-10

Received

No. 2266
429

Subject-matter.

Reporting for information
that Messrs Broadbent Bros
& Co have been asked to
take up the work of Valuation
and that the other Local
Engineering Officers employed
for attending to the Volume of the
Mill Buildings etc.

(17)
G.7.135-09

42

It is requested that in future communications on the subject, the No. and date of this letter, and, the distinguishing letters below the number as given opposite, may be quoted.

B 2282

No. 3270 B&R 600

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

Dated Bangalore, the 28th November *1910*.

FROM

J. S. CHAKRAVARTI, ESQ., M.A., F.R.A.S., etc,.
Comptroller to the Govt. of
His Highness the Maharaja of Mysore

To

.....Esq.,
The *Secretary to the Government of Mysore*
.....Financial *Department.*

SIR

In continuation of my letter No. 2266/B&R. 439 dated 7th October 1910, I have the honor to report to Government that the representative of Messrs. Bradbury Brady & Co., has completed the valuation of the Mysore Spinning and Manufacturing Company Ltd., of Bangalore and has submitted his statements of valuation. I beg to forward the same for the information of Government.

2. As regards the valuation of the Mill buildings, I have this day requested the Chief Engineer to expedite the submission of Mr. Karvi's estimate duly verified by an Engineer Officer of the Public Works Department and I shall submit the same as soon as it is received in this office.

I have the honor to be,

Sir,

Your most obedient servant,

J S Chakravarti

Comptroller.

..... Department.

190

From

J. S. CHAKRAVARTI, Esq.,
M.A., F.R.A.S., etc.,
Comptroller to the Govt. of
H. H. the Maharaja of Mysore.

To

..... Esq.,
Secretary to the Govt of Mysore,
..... *Dept.*

Dated

Despatched 2-12-09

Received

No. 3220 Govt Records
909

Subject Matter.

Regarding that the Representation of Messrs Bradbury Brady & Co has completed the Valuation of the Mysore Spinning & Manufacturing Co Ltd. & forwarding the same for information

THE MYSORE SPG. & WVG. CO., LTD.

SUMMARY OF VALUATION OF MACHINERY & ACCESSORIES.

Blocks No. 1, 2 Ground floor.	Rs.	1,80,125
Block No. 2 A, First floor.	Rs.	95,596
Block No. 3 Ground Floor & Loft.	Rs.	5,476
Block No. 4 Loom Shed.	Rs.	49,674
Block No. 5 Warehouse.	Rs.	10,426
Block No. 9 Engine etc. Depts.	Rs.	10,466
Blocks No. 1, 2, 2A, 3, 4 & 9.	Rs.	70,066
Block No. 6 Boiler House.	Rs.	13,670
Block No. 7 Engine House.	Rs.	31,635
Block No. 7A Pump House.	Rs.	1,539
Block No. 8 Flour Mill.	Rs.	22,710
Dyeing Department Compound.	Rs.	1,627
Blacksmiths Shop.	Rs.	300
Leather Belting in all Depts.	Rs.	3,226
Fire Service Accessories.	Rs.	1,114
Store Godown Machinery Parts.	Rs.	21,302
	Rs.	5,18,952

(Rupees Five Lacs, Eighteen thousand, Nine hundred & Fifty Two)

Bradbury Bradstt & Co

THE MYSORE SPG. & WVG. CO., LTD.

Value of Machinery & Accessories in Block No. 1 as per Blue Print Plan herewith, referred to as Blow Room Dept., Ground Floor.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accesso--ries.	Total value of Machines & Accessories.
		Rupees	Rupees	Rupees
1	Lords Exhaust Opener, 1888.	1,519		1,519
1	Double Crighton Opener, no date.	2,895		2,895
1	Tathams Double Beater Scutcher, 1884.	1,835		1,835
1	Asa Lees Hopper Spreader Scutcher, 1908.	2,820		2,820
1	Asa Lees Double Breaker Scutcher, 1899.	2,160		2,160
1	Asa Lees Single Beater Scutcher, 1908.	1,788		1,788
1	Asa Lees Single Beater Scutcher, 1899.	1,600		1,600
1	Tathams Single Beater Scutcher, 1884.	1,224		1,224
1	Hillards & Goldsmiths Thread Extractor, 1906.	724		724
		Carried forward.. Rs.		16,565

THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & Accessories in Block No. 1 as per Blue Print Plan herewith, referred to as Blow Room Dept, Ground Floor- CONTD.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accesso-ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
	Brought forward....			16,565
1	Tathams Roving Waste Opener, no date.	737		737
1	Hillards & Goldsmiths Thread Extractor, 1909.	750		750
1	Platt Bros' 4 Bearing Gin, no date.	220		220
1	Holts Willow, no date.	555		555
			TOTAL value Rs.	18,827

(Rupees Eighteen Thousand Eight Hundred & Twenty Seven)

Bradbury Bradgate & Co

THE MYSORE SPG. & WVG. CO., LTD.

Value of Machinery & Accessories in Block No. 2 as per Blue Print Plan herewith, referred to as Card Room Dept, Ground Floor.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accesso--ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
30	Tathams R & C Carding Engines, 1884.	31,410		31,410
18	Asa Lees R & C Carding Engines, 1888.	20,190		20,190
3	Asa Lees R & C Carding Engines, 1910	4,226		4,226
3	Tathams Drawing Frames, 1884.	4,825		4,825
2	Asa Lees Drawing Frames, 1888.	3,666		3,666
1	Asa Lees Drawing Frame, 1899.	1,822		1,822
1	Asa Lees Drawing Frame, 1908,	3,045		3,045
3	Asa Lees Slubbing Frames, 1888, 1899.	5,197		5,197
3	Tathams Slubbing Frames, 1884.	4,130		4,130
1	Howard & Bulloughs Slubbing Frame, 1872.	920		920
		Carried forward...Rs.		79,431

THE MYSORE SPG. & WVG. CO., LTD.

Value of Machinery & Accessories in Block No. 2 as per Blue Print Plan herewith, referred to as Card Room Dept, Ground Floor, CONTD.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accesso-ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
	Brought forward...			79,431
1	Howard & Bulloughs Slubbing Frame, 1909.	1,748		1,748
4	Tathams Intermediate Frames, 1884.	6,697		6,697
3	Asa Lees Intermediate Frames, 1888.	6,054		6,054
2	Asa Lees Intermediate Frames, 1888.	4,595		4,595
1	Asa Lees Intermediate Frame, 1907.	3,326		3,326
1	Howard & Bulloughs Intermediate Frame, 1909.	2,722		2,722
2	Asa Lees Roving Frames, 1907.	6,324		6,324
11	Asa Lees Roving Frames, 1888, 1899.	20,565		20,565
4	Howard & Bulloughs Roving Frames, 1872.	5,265		5,265
			Carried forward Rs.	1,36,727

THE MYSORE SPG. & WVG. CO., LTD.

Value of Machinery & Accessories in Block No. 2 as per Blue Print Plan herewith, referred to as Card Room Dept, Ground Floor, CONTD.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accesso-ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
	Brought forward....			1,36,727
7	Tathams Roving Frames, 1884.	12,573		12,573
43	Flyer Frame Extras.	2,452		2,452
			TOTAL value Rs.	1,51,752

(Rupees One Lac, Fifty One thousand, Seven hundred & Fifty two)

Bradbury Brady & Co

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THE MYSORE SPG. & WVG. CO., LTD.

Value of Machinery & Accessories in Block No. 2 as per Blue Print Plan herewith, referred to as Card Room Dept, Ground Floor.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accesso-ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
3	Dronsfields R & C Grinding Machines.			
2	Card Mounting Machines.			
14	Grinding Rollers.			
1	Pair of Scales.....		2,553	2,553

(Rupees Two thousand five hundred & Fifty three)

Bradbury Bradyll & Co

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THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & Accessories in Block No. 2 as per Blue Print Plan herewith, referred to as Card Room Dept, Ground Floor.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accesso-ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
1	Tachometer		80	80
1	Horsfalls Leveling Apparatus.		30	30
	Card Cans.		879	879
		TOTAL..... Rs.		989

(Rupees Nine hundred & Eighty Nine only)

Bradbury Bradys & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & Accessories in Block No. 2 as per Blue Print Plan herewith, referred to as Card Room Dept, Change Wheels etc.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accessories.	Total value of Machines & Accessories.
		Rupees	Rupees	Rupees
	Pinions, Twist & Rack Wheels, Jobbers & Fitters Tools.		2,164	2,164

(Rupees Two thousand, one hundred & Sixty four)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & Accessories in Block No. 2 as per Blue Print Plan herewith, referred to as Bundling & Baling Dept.

Number of Machines.	Description of machines and Accessories.	Value of Machines.	Value of Accesso--ries.	Total value of Machines & accessories.
		Rupees	Rupees	Rupees
	Bundling Presses, Hydraulic Baling Press and 2 Throw Pumps.....		3,840	3,840

(Rupees Three thousand eight hundred & Forty only)

Bradbury Bradyco

THE MYSORE SPG. & WVG. CO., LTD.

Value of Machinery and accessories in Block No. 2A as per Blue Print Plan herewith, referred to as Spinning Dept, First Floor.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accesso--ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
4	Tathams Mules, 1884	10,740		10,740
2	Howard & Bulloughs Ring Frames, 1909.	5,243		5,243
28	Asa Lees Ring Frames,1888/1891	51,618		51,618
4	Asa Lees Ring Frames, 1891.	8,508		8,508
		TOTAL value Rs.		76,109

(Rupees Seventy six thousand, one hundred and Nine only)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO., LTD.

Value of Machinery & Accessories in Block No. 2A as per Blue Print Plan herewith, referred to as Spinning Dept.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accesso--ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
34	Sets of Pulleys, including C.I. Beams for hanging above pulleys.		3,110	3,110

(Rupees Three thousand, one hundred & Ten only)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO., LTD.

Value of Machinery & Accessories in Block No. 2A as per Blue Print Plan herewith, referred to as Spinning Department.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accesso-ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
46	Hangers, Wall Brackets, sole Plates etc.		1,485	1,485
26	Wood Beams, Rope drive etc.		1,095	1,095
		TOTAL .....Rs.		2,580

(Rupees Two thousand five hundred & Eighty only)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO., LTD.

Value of Machinery & Accessories in Block No. 2A as per Blue Print Plan herewith, referred to as Wrapping Dept., Spg. Roller Covering Dept.

Number of Machines	Description of machines and Accessories.	Value of Machines.	Value of Accesso--ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
1	Full set accessories.		421	421
1	Full set Accessories.		180	180
3439	Leather covered Top Rollers for Carding & Spinning Depts.		3124	3,124
		TOTAL .....Rs.		3,725

(Rupees Three thousand seven hundred & Twenty five)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO., LTD.

Value of Machinery & Accessories in Block No. 2A as per Blue Print Plan herewith, referred to as Spare Wheels & Tools, Spg. Dept.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accesso--ries.	Total value of Machines and Accessaries.
		Rupees	Rupees	Rupees
	Pinions, Twist & Rack wheels, Jobbers & Fitters Tools.		2,907	2,907
	Doffing Cans .		1,102	1,102
		TOTAL..... Rs.		4,009

(Rupees Four thousand & Nine only)

Bradbury, Brady & Co

THE MYSORE SPG. & WVG. CO., LTD.

Value of machinery & Accessories in Block No. 2A as per Blue Print Plan herewith, referred to as Relling Department.

Number of	Description of machines and Accessories.	Value of Machines	Value of Accesso--ries.	Total value o Machines and Accessorees.
		Rupees	Rupees	Rupees
57	Reels			
1	Doubling Frame.			
1	Larmuths Spindle Banding & Balling Machine.....		2,745	2,745

(Rupees Two thousand seven hundred & forty five only)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of machinery & Accessories in Block No. 2A as per Blue Print Plan herewith, referred to as Reeling Dept., First Floor.

Number of Machines	Description of machines and Accessories.	Value of Machines	Value of Accesso-ries.	Total value of Machines & acceccories.
		Rupees	Rupees	Rupees
2	Butterworth & Dickinsons Grey Winding Frames, no date.	1,378		1,378
1	Converted Colour winding Frame, no date.	142		142
1	Pirn winding Frame, no date.	583		583
		TOTAL..... Rs.		2,103

(Rupees Two thousand one hundred & Three only)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of machinery and accessories in Block No. 2 as per Blue Print plan herewith, referred to as Card Room Dept, Ground floor.

Number of Machines.	Description of machines and accessories.	Value of machines	Value of Accesso-ries.	Total value of Machines & Accessories.
		Rupees	Rupees	Rupees
3	Butterworths & Dickinsons Warping Mills.	1,215		1,215

(Rupees One thousand two hundred & Fifteen only.)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO., LTD.

Value of Machinery & Accessories in Block No. 3 as per Blue Print Plan herewith, referred to as Passage & Loft Sizing Dept.

Number of Machines.	Description of Machines and Accessories.	Value of Machines.	Value of Accesso-ries.	Total value of Machines & Accessories.
		Rupees	Rupees	Rupees
	Size Mixing.			
	Tanks, Sizing Machine, Heald Preparing machine.			3,960

(Rupees Three thousand nine hundred & Sixty only)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & accessories in Block No. 3 as per Blue Print Plan herewith, referred to as Passage Sizing Dept.

Number of Machines.	Description of machines and accessories.	Value of Machines	Value of Accesso-ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
	Loom Change wheels,			
	Weavers Spare Beams.			
	Warpers " "			
	Cast Iron flanges.		147	147
	Steel "		1369	1,369
			TOTAL ... Rs.	1516

(Rupees One thousand five hundred & Sixteen only)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & Accessories in Block No. 4 as per Blue Print Plan herewith, referred to as Cardroom & Loom Shed, Ground Floor.

Number of Machines.	Description of Machines and Accessories.		Value of Machines.	Value of Accesso-ries.	Total value of Machines and Accessories.
			Rupees	Rupees	Rupees
11	B & D's	28" Looms	2,001		2,001
3	"	24" "	279		279
7	Liveseys	50" "	1,800		1,800
27	"	50" "	5,240		5,240
5	"	50" "	1,071		1,071
7	"	42" "	1,315		1,315
1	B & D's	32" "	165		165
19	"	60" "	4,980		4,980
3	"	70" "	860		860
5	"	70" "	1,845		1,845
20	"	36" "	5,285		5,285
17	"	76" "	5,295		5,295
16	"	70" "	4,928		4,928
	Carried forward.....		....	..... Rs.	35,064

THE MYSORE SPG. & WVG. CO. LTD.

Value of machinery & accessories in Block No. 4 as per Blue Print Plan herewith, referred to as Card Room & Loom Shed, Ground floor,

CONTD.

Number of Machines.	Description of machines and accessories.	Value of Machines	Value of accesso-ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
	Brought forward...			35,064
28	Butterworth & Dickinsons 32" Looms.	5,150		5,150
1	" 32" "	245		245
8	" 36" "	1,480		1,480
7	" 60" "	2,135		2,135
1	" 42" "	187		187
2	" 42" "	504		504
1	" 76" "	330		330
9	" 45" "	1,722		1,722
3	" 45" "	762		762
4	" 36" "	655		655
5	" 42" "	940		940
223			TOTAL ... Rs.	49,174

(Rupees Forty nine thousand one hundred & Seventy Four only)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO., LTD.

Value of machinery & Accessories in Godown in Compound, as per Blue Print Plan herewith.

Number of Machines.	Description of machines and Accessories.	Value of Machines.	Value of Accessories.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
	Weaving Dept. Spare Machinery Parts.		500	500
	(Rupees Five hundred only.)			

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & accessories in Block No. 5 as per Blue Print Plan herewith, referred to as Warehouse.

Number of Machines.	Description of machines and Accessories.	Value of Machines	Value of Accesso-ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
1	Wallworks Stamping machine	1,024		1,024
1	Birches Sewing machine	180		180
1	Singers " "	75		75
1	Downham's 4 Bowl Friction Calender.	7,857		7,857
1	Butterworth & Dickinsons 76" Plaiting Machine.	390		390
		TOTAL ..... Rs.		9,526

(Rupees Nine thousand, five hundred & Twenty six)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery and accessories in Store Godown in Compound as per Blue print Plan herewith.

Number of Machines.	Description of Machines and Accessories.	Value of Machines	Value of Accesso--ries.	Total value of Machines & Accessories.
		Rupees	Rupees	Rupees
1	66" wide Mote Cleaning Machine.			900
	(Rupees Nine hundred only)			

Bradbury Brady & Co

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THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & Accessories in Block No. 9 as per Blue Print Plan herewith, referred to as Engine Dept. & Mechanic Shop.

Number of Machines	Description of machines and accessories.	Value of Machines	Value of Accesso-ries.	Total value of machines accessories.
		Rupees	Rupees	Rupees
	Lathes, Drilling Machines etc.			7,055
	Winches.			240
	Engineers & Fitters Tools.			3,060
	Rope pulley Block			8
	Jem Screws.			103
			TOTAL... Rs.	10,466

(Rupees Ten thousand Four hundred & Sixty six)

Bradbury Brady & Co

Miscles.

Engineers & Fitters tools.

Jute Spring Block 8

Jon Screws 105

LCC/L... Rs. 10,100

(Rupees Ten thousand one hundred & Sixty six)

THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & Accessories in Blocks Nos. 1,2,2A,3,4 & 9 as per Blue Print Plan herewith, referred to as Piping Steam & Hydrant, Bevel Wheels.

Number of Machines.	Description of Machines and accessories.	Value of Machines.	Value of Accesso--ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
368	Belt pulleys			7,367
10	Split "			315
26	Rope "			4,050
49	Ropes.			1,848
	Piping Steam & Hydrant service			39,150
	Bevel wheels			1,200
			TOTAL ... Rs.	53,930

(Rupees Fifty three thousand Nine hundred & thirty)

Bradbury Brady & Co

360	Belt pulleys		7,327
10	Split "		173
36	Rope "		1,080
16	Ropes.		1,216
	Fitting Steam & Hydraulic Service.		16,160
	Total Weight		26,951

.CC.F ... Rs. 82,080

(Rupees Fifty three thousand five hundred & thirty)

THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & Accessories in Blocks Nos. 1,2,2A,3,4,5, 7,8 & 9. as per Blue Print Plan herewith.

Number of Machines.	Description of machines and accessories.	Value of Machines.	Value of Accesso--ries.	Total value of Machines & Accessories.
		Rupees	Ruppes	Rupees
	Shaftings		8,418	8,418
	Couplings		1,575	1,575
	Beamings		4,058	4,058
	Brackets.		1,035	1,035
	Wall Boxes.		540	540
		TOTAL..... Rs.		15,626

(Rupees Fifteen thousand six hundred & Twenty six)

Bradbury Bros

THE MYSORE SPG. & WVG. CO. LTD.

Value of machinery & accessories in Blocks Nos. 1,1A,2 & 2A as per Blue Print Plan herewith, referred to as Mixing, Blowing, Carding & Spinning Depts.

Number of Machines.	Description of machines and Accessories.	Value of Machines.	Value of Accesso--ries.	Total value of Machines and accessories.
		Rupees	Rupees	Rupees
17	Fireproof Doors with runners & hinged.		510	510

(Rupees Five hundred & Ten only)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & Accessories in Block No. 6 as per Blue Print Plan herewith, as referred to as Boiler House.

Number of Machines.	Description of machines and accessories.	Value of Machines.	Value of Accesso-ries.	Total value of Machines & Accessories.
		Rupees	Rupees	Rupees
	Lancashire Boilers 20' X 7' X 100 lbs.			
	Foundations.			
1	Set Economisers 6/4s.			
1	Hydro Extractor 26"			13,670

(Rupees Thirteen thousand six hundred & seventy)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & accessories in Block No. 7 as per Blue Print plan herewith, referred to as Engine house.

Number of Machines	Description of machines and accessories.	Value of Machines	Value of Accesso-ries.	Total value of machines and Accessories.
		Rupees	Rupees	Rupees
1	500 I. H. P. Jet Condensing Compound Engine.			
	Indicators etc.			
	Flywheel.			
	Barring apparatus.			
1	3 Ton Chain Block.			
2	1 " " "			
1	Screw Jack.			31,636

(Rupees Thirty one thousand six hundred & thirty five)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of machinery and accessories in Block No. 7A as per Blue Print Plan herewith, referred to as Pump House.

Number of Machines.	Description of machines and Accessories.	Value of Machines.	Value of Accesso-ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
1	Double Acting Donkey Pump.			
1	Fire Service Pump.			1,539

(Rupees One thousand Five hundred & thirty nine)

Bradbury Bradley & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of machinery & accessories in Block No. 8 as per Blue Print plan herewith, referred to as Flour Mill.

Number of Machines.	Dsecription of Machines and Accessories.	Value of Machines	Value of Accesso-ries.	Total value of Machines and accessories.
		Rupees	Rupees	Rupees
1	Complete Plant for 28 Bags per day of 11 1/2 hours.			22,710

(Rupees Twenty two thousand seven hundred & ten)

Bradbury Brad & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of machinery & accessories in Compound Godown as per Blue Print plan herewith, referred to as Dyeing Dept.

Number of Machines.	Description of machines and acce ssories.	Value of Machines	Value of accesso-ries.	Total value of Machines and accessories.
		Rupees	Rupees	Rupees
	Accessories including Dye Vats.			
	Dye Mixing tubs.			
	Steam chest.		1,627	1,627

(Rupees One thousand Six hundred & Twenty seven)

Bradbury Bradford

THE MYSORE SPG. & WVG. CO. LTD.

Value of Machinery & accessories in Godown Compound as per Blue Print plan herewith, referred to as Blacksmith Shop.

Number of Machines.	Description of machines and Accessories.	Value of Machines.	Value of accesso--ries.	Total value of Machines and Accessories.
		Rupees	Rupees	Rupees
	Complete outfit.			300

(Rupees three hundred only)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of Belting in work on various Machinery in all Depts. of the Mill.

Number of Machines.	Description of Machines and accessories.	Value of Machines.	Value of Accesso--ries.	Total value of Machines & accessories.
		Rupees	Rupees	Rupees
	Belting in work on various Machinery in all Departments of the Mill.			3,226

(Rupees Three thousand two hundred & Twenty six)

Bradbury, Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of machinery & accessories of Fire service.

Number of Machines.	Description of machines and accessories.	Value of Machines.	Value of accesso-ries.	Total value of Machines and accessories.
		Rupees	Rupees	Rupees
	Fire service Accessories, including			
	Hose Piping,		450	450
	2½" Couplings.		306	306
	Nozzles.		170	170
	Buckets.		188	188
			TOTAL ... Rs.	1,114

(Rupees One thousand one hundred & fourteen only)

Bradbury Brady & Co

THE MYSORE SPG. & WVG. CO. LTD.

Value of machinery & accessories in Store Godown Compound as per Blue print Plan herewith.

Number of Machines.	Description of machines and accessories.	Value of Machines	Value of accesso-ries.	Total value of Machines and accessories.
		Rupees	Rupees	Rupees
	Carding, Spinning & Blowing Dept. spare machinery Parts.		21,302	21,302

(Rupees Twenty one thousand three hundred & Two only)

Bradbury Brady & Co

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government.

No. 3731 / B&R 653

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

Dated Bangalore, the 15th December *1910*.

FROM

J. S. CHAKRAVARTI, ESQ., M.A.,
F.R.A.S., etc.,
Comptroller to the Government of
His Highness the Maharaja of Mysore.

To

.....ESQ.,

The *Secretary to the Government of Mysore,*

.....Financial.....*Department.*

SIR,

In continuation of my letter No.3270/B&R.600 dated 2nd December 1910, I have the honor to submit the valuation statement of Mr.V.N. Karve, retired Superintending Engineer, who was selected by the Public Works Secretary to estimate the value of the building of the Mysore Spinning and Manufacturing Company Ltd., Bangalore, and to state that the Chief Engineer reports that the work is carefully done and checked by Mr.Y.Srinivasa Rao, Deputy Chief Engineer, I enclose for the information of Government copy of Mr.Karve's letter to the Chief Engineer giving cover to his report and the Chief Engineer's D.O. of the 13th December '10 forwarding the papers to me.

2. It will be seen from a reference to those papers that Mr.Karve undertook to do the work for a remuneration of Rs.400/-, but that for reasons stated he now claims an additional amount of Rs.200/-, for the work done. The Chief Engineer recommends the grant of the additional allowance asked for and I agree with him. The amount paid to the Bombay firm for valuation of Machinery aggregates to Rupees 1,170/- in all, and even if the enhanced fee claimed by Mr.Karve is paid, the aggregate cost of the valuation will be within the a cr

Rec.—Gl. 18]

.....Department.

19

From

J. S. CHAKRAVARTI, Esq., M.A., F.R.A.S., etc.,

Comptroller to the Govt. of H. H. the Maharaja of Mysore.

To

.....Esq.,

Secretary to the Govt. of Mysore,

.....*Dept.*

Dated

Despatched

Received

No.

Subject-matter.

GPB—1,000—28-6-09

of Rs. 2,000/- deposited by the Mills for the purpose. In these circumstances, I solicit orders of Government for incurring a charge of Rs. 600/- on account of the valuation of the buildings, i.e., Rs. 100/- more than what was sanctioned in Government Order of 1st October 1910.

I have the honor to be,

Sir,

Your most obedient servant,

J. Chakravarti

Comptroller.

Letter dated 8th December '10 from V.H.Karve Esq., L.C.E., Retired Superintending Engineer, Bangalore, to the Chief Engineer of Mysore.

Referring to the Deputy Chief Engineer's D.O. of the 29th September last, I have the honour to submit herewith a valuation estimate amounting to Rs.1,74,148/- of the Mysore Spinning and Manufacturing Company's Buildings at Bangalore, together with plans, detail estimates and report as per enclosed list.

The Comptroller personally asked me to state what the buildings would be worth, if utilised for other purposes. It is difficult to answer this question with any degree of certainty. The site and smaller buildings in the compound are worth more than their present valuation, if utilised as residential quarters, with some additions and alterations. The cording and weaving blocks, however, forming the main building are not fit for any other use, except perhaps for big .. offices and big schools. I should think that for other purposes, the buildings may, on the whole, be taken to be worth two-thirds of their present valuation.

No pains have been spared to prepare the plans and estimates. They not only serve the present purpose for .. which they are intended, but will also form a useful record for future reference.

I would, in conclusion, take the liberty of requesting you to kindly reconsider the question of my fee for this .. work. When I agreed to a fee of Rs.400/-, I was naturally .. under the impression that the plans of the buildings were available, and that the work would not take up more than three weeks or so. The old plans, however, could not be had,

[illegible] and the estimates, [illegible] required, [illegible] in all for fifty two months.

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

(3)

D.O. dated 18th December 1918 from the Chief Engineer, Mysore, addressed to the Controller, Mysore Government.

With reference to correspondence ending with my D.O. of the 30th ultimo, I forward herewith the valuation statement (and accompaniments as per enclosed list) of the buildings of the Mysore Spinning and Manufacturing Co., received from Mr.Karve, retired Superintending Engineer.

[illegible] this report you will observe that work has been carefully done and checked by Mr.Y.Srinivasa Rao, Deputy [illegible] Engineer.

[illegible] estimates the original cost of the buildings at Rs.2,90,640 and their present value at Rs.1,72,701. If the buildings are required for any other use than that for which they are now put, the value should be put at [illegible] of the present value.

Mr.Karve further states that in the beginning, he had estimated the amount of work required to be done and asks for a reconsideration of the question of his remuneration. He no doubt agreed to do the work for Rs.400. But he had to work for two months on it and the plans and estimates will form a very useful record for future reference. If you think the question

could

28/4 9.50 A.M. 2 copies

Fair draft

G.R.S. 28.]

File No. 135-09

Serial No.

Diary No. of letter replied to 2510

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT.

( )

, the 19

Date of issue

Signed by

READ-again

Para 2 of Govt order No. FR 200-1 & 135-09 dt 15/7/1910 relating to the consideration of the question of the financial relation between Govt of H.H. the Maharaja & the Mysore Spinning & Manufacturing Company Ltd.

~~ORDER THEREON.—No.~~

(2) Correspondence ending with letter No. 3731 dt 15/12/1910 from the Controller & Managing Director of the

over Mill

Submitting

SUBJECT.

GPB—10,000—19-4-10

Submitting the valuation statements of the Mill and buildings of the Mysore Spining & Manufacturing Company Ltd - Bangalore.

JC 5379

Order thereon

dy 29 Nov 26 / 11 y 7 - 138 - 9

The matter of placing the financial relations between the Govt and the Mysore Spinning and Mfg Co on a more satisfactory basis has been engaging the attention of Govt for some time past.

2 Under clause 2 of the existing agreement between the Govt and the Company, the former have to advance all necessary funds from time to time for the working of the latters mills. Though the Govt have advanced for working Capital a Sum of Rs 1,49,452, still it is represented that the requirements of the mill in respect of working Capital are not at times, owing to the exigencies of the mill industry, as fully met as might be desired. Govt On the other hand, do not consider it desirable to advance further Sums on this account. It has moreover been represented that the Govt having under the agreement a lien on all the properties of the Company viz buildings, machinery and floating Stock, the Agents are placed under some disadvantage in the matter of raising additional working Capital

in the open market, when such a course is rendered absolutely necessary. As a result the mill has been working under somewhat unsatisfactory financial conditions and the difficulties have been further accentuated by the unfavorable conditions of the cotton mill industry during the last two or 3 years.

3 To put an end to this state of things, the Comptroller who is the [managing] Director of the company has after considerable negotiation with the company, has submitted for the consideration of Govt two alternative proposals.

4 According to the first proposal the Govt would be required to release from their lien, such portions of the floating stock under their charge as may be equivalent in value to the loans raised by the agents on their own credit and utilised for the purposes of the mill. This proposal does not commend itself to Govt as in their opinion it is rather complicated and is also attended with the risk of bringing Govt interests

and in spite of all help and facility given by the Comptroller in his capacity as managing Director, which has been [illegible] acknowledged by the Company

into conflict with those of the other Creditors from which the additional working capital would be raised

5 The Second alternative, Coming/Asks the release from Govt. him of the whole of the floating stock of the mills under certain conditions. This has been approved by Govt. and the Conditions under which such release is to be granted by them, are as follows:-

~~The Govt will~~

(1) release from their lien the entire floating stock, which is now security for the working Capital advanced by them

(2) The Govt will forego their right they have under the existing agreement to ⅔ of the Company's profits for a period of five years to enable the Company to improve their financial position & reestablish their credit as Owners of the Company on the other hand agree to

to enable it to issue their unissued shares or to place debentures on the market.

(3) Consolidate all the debts now due to Govt. namely Rs 3,88,006-2-0 into a single loan

(4) immediately to pay back to Govt. a sum of one lakh out of the above Consolidated loan

(5). hold the Buildings and machinery now existing & to be added as security for the balance of the Consolidated loan viz 2,88,006-2-0 Rs.

(6) pay interest on the Secured ~~debt~~ at the rate of 4 % per annum

6 The Comptr is requested to have a draft agreement prepared in consultation with the agent of the Company and submit it for the approval of Govt. In the new agreement the privileges, advantages and remedies open to Govt under the existing agreements should be carefully preserved.

7 The Comptroller to Govt should continue to be the Managing Director as heretofore and the right of Govt to appoint an additional Director on the Board at Bombay and a Govt Auditor will not in any way be affected by this ~~Govt~~ arrangement

Print

27 Apl

27/4

Financial Secretary

The Comptroller

Cord. 2 copies
28.4.11.
10.40 Am

Proceedings of the Government of His Highness the Maharaja of Mysore,

READ AGAIN—

Para 2 of Government Order No. Fl. 200-1—G. F. 135-09, dated 15th July 1910, relating to the consideration of the question of the financial relation between the Government of His Highness the Maharaja and the Mysore Spinning and Manufacturing Company, Limited.

2. Correspondence ending with letter No. 3731, dated 15th December 1910, from the Comptroller and Managing Director of the Mill, submitting the valuation statements of the mill and buildings of the Mysore Spinning and Manufacturing Company, Limited, Bangalore.

No. Fl. 5379—G. F. 135-09, dated Bangalore, 28th April 1911.

Order thereon.—The matter of placing the financial relations between the Government and the Mysore Spinning and Manufacturing Company on a more satisfactory basis has been engaging the attention of Government for some time past.

2. Under clause 2 of the existing agreement between the Government and the Company, the former have to advance all necessary funds from time to time for the working of the latter's mills. Though the Government have advanced for working capital a sum of Rs. 1,49,452 still it is represented that the requirements of the Mill in respect of working capital are not at times, owing to the exigencies of the mill industry, as fully met as might be desired. On the other hand, Government do not consider it desirable to advance further sums on this account. It has moreover been represented that the Government having under the agreement a lien on all the properties of the Company, namely, buildings, machinery and floating stock, the agents are placed under some disadvantage in the matter of raising additional working capital in the open market, when such a course is rendered absolutely necessary. As a result, and in spite of all help and facility given by the Comptroller in his capacity as Managing Director, which has been acknowledged by the Company, the Mill has been working under somewhat unsatisfactory financial conditions and the difficulties have been further accentuated by the unfavourable conditions of the cotton mill industry during the last two or three years.

3. To put an end to this state of things, the Comptroller, who is the Managing Director of the Company, has, after considerable negotiation with the Company, submitted for the consideration of Government two alternative proposals.

4. According to the first proposal the Government would be required to release from their lien, such portions of the floating stock under their pledge as may be equivalent in value to the loans raised by the Agents on their own credit and utilised for the purposes of the mill. This proposal does not commend itself to Government as in their opinion it is rather complicated and is also attended with the risk of bringing Government interests into conflict with those of the other creditors from whom the additional working capital would be raised.

5. The second alternative contemplates the release from Government lien of the whole of the floating stock of the Mills under certain conditions. This is approved by Government and the conditions under which this arrangement will work are as follows:—

(1) Government will release from their lien the entire floating stock, which is now security for the working capital advanced by them.

(2) The Government will forego the right they have under the existing agreement to two-thirds of the Company's profits for a period of five years to enable the Company to improve their financial position and re-establish their credit so as to enable them to issue their unissued shares or to place debentures on the market, provided the Company, on the other hand, agree to—

(3) consolidate all the debts now due to Government, namely, Rs. 3,88,006-2-0, into a single loan,

(4) immediately pay back to Government a sum of one lakh out of the above consolidated loan,

Financial (General Finance), dated 28th April 1911.

(5) hold the buildings and machinery now existing and to be added as security for the balance of the consolidated loan, namely, Rs. 2,88,006-2-0,

(6) pay interest on the consolidated debt thus secured at the rate of four per cent per annum.

6. The Comptroller is requested to have a draft agreement prepared in consultation with the Agent of the Company and submit it for the approval of Government. In the new agreement the privileges, advantages and remedies open to Government under the existing agreement should be carefully preserved.

7. The Comptroller to Government should continue to be the Managing Director as heretofore and the right of Government to appoint an additional Director on the Board at Bombay and a Government Auditor will not in any way be affected by this arrangement.

J. S. CHAKRAVARTI,
Financial Secretary to Government.

To—The Comptroller, Mysore Government.

Exd.—C. V.

1910-11

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

FINANCIAL
(GENERAL FINANCE)

PROCEEDINGS

Dated 28th April 1911

No. Fl. 5379 / G. F. 135-09

Passing orders *re* the financial relation between the Government of His Highness and the Mysore Spinning and Manufacturing Company, Limited, and directing the terms of agreement on the lines stated being prepared in consultation with the Company by the Comptroller.

GPB—18-5-11—200

G.R.S. 26]

File No. 135-0
Serial No. 1

Diary No. of letter replied to 4510

No. 766266
d 30-6-11

General and Revenue Secretariat
( )
, the 19 .

To
The Controller to the
Govt of Mysore.
& Managing Director
of the Mysore Spinning
& Manufacturing
Company Ltd.

Date of issue 30 June/11

Signed by W L Thurston

Sir.

In continuation
of Govt. order No. H. 5379 d. 29/4/11
97 135-1
and in reference to your letter
No. 37 31 d. 15/12/1910. in respect
of ~~increase and~~ increased

over.

SUBJECT.

Mgn 30-6-11

remuneration to Mr W.H. Karve for the work of valuing the buildings etc of the Mills, I am directed to convey sanction of Govt to the payment of Rs 600/- in all to Mr W. H Karve for the work done by him ~~as expected~~ as agreed to by Mr Sivur, the representative of the Mill out of the funds of the Mill set apart for the valuation of the Machinery & buildings

I have etc

K/26.6.11

for Secretary

AK

Copy to W.H. Karve Esq Mechanical Engineer Ramnagger Bangalore -

K. Odell.

List of enclosures,

Mr No 6267
of 30-6-11

Copied by

Examined by

GPB—20,000—25-9-10